

**UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MICHIGAN**

**In re:**

**FAMILY CHRISTIAN, LLC *et al.*<sup>1</sup>**  
**Debtors.**

**CHAPTER 11**

**CASE NO. 15-00643-jtg  
(Joint Administration Proposed)**

**/ HON. JOHN T. GREGG**

**DEBTORS' MOTION FOR ENTRY OF AN ORDER DIRECTING JOINT  
ADMINISTRATION OF THEIR CHAPTER 11 CASES**

COME NOW, the above-captioned debtors (the “**Debtors**”), by and through undersigned counsel, and hereby moves this Court for the entry of an order, granting joint administration of their respective chapter 11 cases. In support of this Motion, the Debtors incorporate the *Declaration of Chuck Bengochea In Support Of Chapter 11 Petition And First Day Motions*, (the “**Bengochea Declaration**”) filed contemporaneously herewith, and state as follows:

**Jurisdiction**

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
2. The basis for the relief requested herein are section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

**Background**

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<sup>1</sup> The Debtors are: Family Christian, LLC(Case No. 15-00643-jtg), Family Christian Holding, LLC (Case No. 15-00642-swd), and FCS Giftco, LLC (Case No. 15-00644-swd).

3. On the date hereof (the "Petition Date"), each of the Debtors filed a petition with the Court under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their property as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no committees have been appointed or designated. Concurrently with the filing of this Motion, the Debtors have sought procedural consolidation and joint administration of these chapter 11 cases.

4. The factual background relating to the Debtors' business and the commencement of these chapter 11 cases is set forth in detail in the Bengochea Declaration. Family Christian Holding, LLC (the "**Holding Company**") is the sole owner and member of Family Christian, LLC (the "**Operating Debtor**"), which operates and runs *Family Christian*® stores, one of the largest retail sellers of Christian books, music, DVDs, church supplies, and other faith based merchandise. The company has approximately 3,100 employees and 266 stores in 36 states operating under the name. Sales are also generated through direct mail catalogs and internet purchases (<https://familychristian.com>). In 2014, the Operating Debtor had gross sales approximating \$216 million. The Debtors' headquarters are located in Grand Rapids, Michigan, as too are the roots and origins of the Debtors' business which date back to the 1930's when the "Zondervan" stores were first founded in Grand Rapids.

5. The Debtors operate as non-profit companies. As a result, any available and legally disposable profits of the Debtors and their collected donations go to supporting "Family Christian Ministries," a non-profit, charitable organization dedicated to sharing and promoting the Christian message and lifestyle, and supporting charitable causes and missionary goals. A

non-exhaustive sampling of such past and present activities include (with the majority of these activities occurring prior to the current ownership's acquisition in 2012):

- Bible donations. To date the company has donated over 120,000 bibles to military members and their families, and over 800,000 bibles to children and students in Latin America and Africa.
- Orphanage / Widow Support. Since 2003, the company and its employees have raised and donated over \$10 million dollars and needed supplies to organizations and ministries that care for orphans and widows or facilitate adoptions in countries across the globe, including China, Haiti, Mexico and the Dominican Republic. They have likewise raised funds to support ministries aimed at rescuing persons enslaved in the sex trafficking industry.
- Missions. The company has sent over 1,300 employees on mission trips across the USA and other countries, sharing the Christian faith and distributing needed supplies and goods to many persons, such as building 108 homes for widows and restoring 32 more, while also supplying fuel efficient stoves and water purifiers.
- Giving. In addition to the funds and gifts noted above, the company has given several hundred thousand "shoe box" gifts and gospel tracts to needy families in their annual "Operation Christmas Child." After Hurricane Alex in 2010, the Debtors' supported ministries and relief efforts to aid squatters' communities in Monterrey, Mexico. Since 2003, Family Christian Ministries and its ministry partners or predecessor company have impacted over 4.5 million lives.

6. Additional facts and circumstances supporting this Motion and the Debtors' voluntary petitions are further set forth in the Declaration of Check Bengochea, in Support of Chapter 11 Petition and First Day Motions, filed contemporaneously herewith.

#### **Basis For Relief**

7. In order to optimally and economically administer the Debtors' pending chapter 11 cases, such cases should be jointly administered, for procedural purposes only, under the case number assigned to Family Christian, LLC. Pursuant to Bankruptcy Rule 1015(b), "(i)f . . . two or more petitions are pending in the same court by or against . . . (4) a debtor and an affiliate, the court may order a joint administration of the estates." Fed. R. Bankr. P. 1015(b). The Debtors in

these bankruptcy cases are “affiliates” as that term is defined in §101(2) of the Bankruptcy Code; accordingly, both the Bankruptcy Code and the Bankruptcy Rules authorize a grant of the relief requested herein.

8. Many of the motions, hearings, and orders that will arise in these chapter 11 cases will jointly affect each Debtor. By jointly administering these chapter 11 cases, the Debtors will be able to reduce fees and costs resulting from the administration of these cases and ease the onerous administrative burden of having to file multiple and duplicative documents.

9. Further, the rights of the Debtors’ respective creditors will not be adversely affected by the joint administration of these chapter 11 cases because this Motion requests only administrative, not substantive, consolidation of the estates. Any creditor may still file a claim against a particular Debtor or its estate, or Debtors and their respective estates. This Court will be relieved of the burden of entering duplicative orders and maintaining duplicative files. Finally, supervision of the administrative aspects of these chapter 11 cases by the Office of the United States Trustee will be simplified by virtue hereof. Thus, all parties in interest should benefit from the reduced costs as a result of joint administration.

10. Based on the foregoing, the joint administration of these chapter 11 cases is in the best interests of the Debtors, their creditors and equity security holders, and all parties in interest. Accordingly, the Debtors request that the caption of the chapter 11 cases be modified to reflect the joint administration of such cases, as follows:

**UNITED STATES BANKRUPTCY COURT  
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**Debtors.**

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**CASE NO. 15-00643-jtg  
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**/ HON. JOHN T. GREGG**

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<sup>1</sup> The Debtors are: Family Christian, LLC(Case No. 15-00643-jtg), Family Christian Holding, LLC (Case No. 15-00642-swd), and FCS Giftco, LLC (Case No. 15-00644-swd).

11. The Debtors also request that a docket entry, substantially similar to the following, be entered on the docket of each of the Debtors to reflect the joint administration of these cases:

An Order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the procedural consolidation and joint administration of the chapter 11 cases of Family Christian, LLC, Family Christian Holding, LLC, and FCS Giftco, LLC. The docket for Family Christian, LLC., Case No. 15-00643-jtg, should be consulted for all matters affecting these cases.

12. Finally, the Debtors respectfully request that this Court enter an order directing that any creditor filing a proof of claim against any of the Debtors or their respective estates should file that proof of claim only in the particular chapter 11 case of the Debtor against whom such claim is asserted (or, for claims against Debtors, in each of the chapter 11 cases of the Debtors against whom the claim is(are) asserted).<sup>2</sup>

**Notice**

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<sup>2</sup> The relief requested in this Motion is without prejudice to the Debtors' right to object to any filed claim on substantive and/or procedural grounds.

13. Notice of the filing of this Motion has been provided to: (a) the Office of the United States Trustee for the Western District of Michigan; (b) the Debtors' lenders and assorted secured creditors; (c) the Debtors' 20 largest unsecured creditors.

**No Prior Request**

14. No prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request the entry of an order, substantially in the form attached hereto as **Exhibit A**, (a) authorizing the joint administration of these chapter 11 cases under the case number assigned to Family Christian, LLC and (b) granting such other and further relief as the Court deems appropriate.

Dated: February 11, 2015

Respectfully submitted,

KELLER & ALMASSIAN, PLC

/s/ A. Todd Almassian

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